

**GOVERNMENT OF PUERTO RICO  
PUBLIC SERVICE REGULATORY BOARD  
PUERTO RICO ENERGY BUREAU**

**IN RE:** IMPLEMENTATION OF THE PUERTO RICO ELECTRIC POWER AUTHORITY INTEGRATED RESOURCE PLAN AND MODIFIED ACTION PLAN

**CASE NO.:** NEPR-MI-2020-0012

**SUBJECT:** Extension of time for Tranche 1 Executed Projects signed June 30, 2022 to achieve Closing Date.

**RESOLUTION**

On February 2, 2022, the Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") approved 18 power purchase and operating agreements ("PPOAs") for the Solar PV projects for Tranche 1 and were signed between June and August 2022 ("18 Executed PPOAs").<sup>1</sup> Out of the 18 Executed PPOAs, nine (9) PPOAs were signed June 30, 2022 ("June 30 PPOAs"). As per Section 2.3(b) of the 18 Executed PPOAs the date to achieve closing before triggering the automatic termination for the June 30 PPOAs was February 25, 2023.

On January 30, 2023, the Energy Bureau authorized the Puerto Rico Electric Power Authority ("PREPA") a sixty (60) day extension for the automatic termination provided in Section 2.3 of the 18 Executed PPOAs. Hence, the termination dates for the June 30 PPOAs expire on **April 26, 2023**.

On March 10, 2023, the Energy Bureau issued a Resolution and Order ("March 10 Order") through which it encouraged PREPA to, among other matters, evaluate any pending Conditions Precedent that may be waived to achieve the Closing Date as established in each of the 18 Executed PPOAs approved as part of Tranche 1 RFP.

On March 31, 2023, PREPA filed a document titled *Motion Requesting Approval of Amendments and Informing on Status of Project Development Timeline for Tranche 1 Utility-Scale Project Agreement* ("March 31 Motion"). Through the March 31 Motion, PREPA indicated that the Tranche 1 PV proponents were requesting extensions of deadlines in the agreements to achieve the *Closing Date*. PREPA further stated that the Resource Providers' requests were justified and reasonable if they had material concerns regarding timelines and pricing because the *Closing Date* triggers the 24-month clock to complete the projects.

On April 14, 2023, PREPA filed a document titled *Motion Requesting Technical Meeting* ("April 14 Motion") in which, among others, PREPA states that it received proponents BFOs on April 10, 2023.<sup>2</sup>

On April 17, 2023, the Energy Bureau issued a Resolution and Order ("April 17 Order"), ordering PREPA to file the Best and Final Offer ("BFO") received by the proponents.

On April 19, 2023 PREPA submitted its *Motion in Compliance with Order Regarding Submittal of Proponent's Best and Final Offers Information* ("April 19 Motion"). The April 19 Motion included information in an Annex B (submitted under seal) on the levelized cost of energy ("LCOE") and levelized cost of storage ("LCOS") for solar PV and battery energy storage projects previously approved by the Energy Bureau as aligned with the Modified Action Plan of the IRP. Annex A of the Motion contained the tranche 1 respondent best and final offers.

Nine (9) of the original eighteen (18) tranche 1 solar PV projects approved by the Energy Bureau have a closing date of April 26, 2023 (these nine projects have been referred to as the "June 30 PPOAs" in respect of the Energy Bureau's original contract approval date in

<sup>1</sup> Except as otherwise provided, capitalized terms used but not otherwise defined in this Resolution and Order have the meaning ascribed to them in the executed PPOAs.

<sup>2</sup> April 14 Motion, p. 4, ¶ 8.



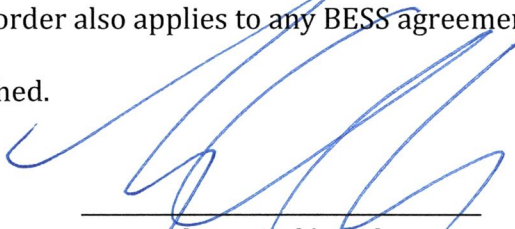


2022). PREPA and the respondents allege that they are working towards finalizing the details necessary to allow at least some of these nine projects to move forward.

The Energy Bureau **ORDERS** PREPA to provide no later than **Friday April 28, 2023** further supporting information on the LCOE and LCOS values presented in its Annex B for these nine projects, and for the other projects contained in the Annex B listing. PREPA must provide in an Excel spreadsheet format file with formulas intact its computation of the LCOE and LCOS inclusive of the input parameters of the BFO contained in Annex A.

The Energy Bureau **FINDS** that because the parties to the 18 Executed PPOAs alleged that they are still negotiating, at this time, an extension to the automatic termination date of the June 30 PPOAs is warranted. As such, considering that negotiations are still ongoing to meet the soon-to-expire deadline, the Energy Bureau **AUTHORIZES** PREPA extend **until May 31, 2023** the June 30 PPOAs automatic termination date to achieve the Closing Date.

PREPA is **ORDERED** to resubmit any amended PPOAs to the 18 Executed PPOAs for the Energy Bureau approval, at least **fifteen (15) days** before the expiration of the applicable termination dates. This order also applies to any BESS agreements.

Be it notified and published.

  
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Edison Avilés Deliz  
Chairman  
\_\_\_\_\_  
Lillian Mateo Santos  
Associate Commissioner  
\_\_\_\_\_  
Ferdinand A. Ramos Soegaard  
Associate Commissioner  
\_\_\_\_\_  
Sylvia B. Ugarte Araujo  
Associate Commissioner  
\_\_\_\_\_  
Antonio Torres Miranda  
Associate Commissioner

**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on April 24, 2023. I also certify that on April 24, 2023, a copy of this Resolution was notified by electronic mail to the following: laura.rozas@us.dlapiper.com, ana.rodriguezrivera@us.dlapiper.com; jmarrero@diazvaz.law and mvazquez@diazvaz.law. I also certify that today, April 24, 2023, I have proceeded with the filing of the Resolution issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today April 24, 2023.

  
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Sonia Seda Gaztambide  
Clerk